

JAN 29 2001



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Export Administration
Washington, D.C. 20230

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Federal Parts International, Inc.
5455 Peachtree Industrial Blvd.
Norcross, Georgia 30092

Attention: Mr. Michael Azarin
President

Dear Mr. Azarin:

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), hereby charges that, as described below, Federal Parts International, Inc. (hereinafter "Federal Parts") has violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2000)) (hereinafter the "**Regulations**"),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. and Pub. L. No. 106-508, November 13, 2000)) (hereinafter the "**Act**").²

Facts constituting violations:

Charges 1-2

On two separate occasions, between on or about January 30, 1996 and on or about February 14, 1996, Federal Parts exported U.S.-origin auto parts from the United States to Iran without

¹ The alleged violations occurred in 1996. The Regulations governing the violations at issue are found in the 1996 version of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1996)). Those Regulations define the violations that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to this matter.

² During the time of the Act's lapse (August 20, 1994 through November 12, 2000,) the President, through Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), which has been extended by successive Presidential Notices, the most recent being that of August 3, 2000 (65 Fed. Reg. 48347, August 8, 2000), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)).



obtaining from BXA the validated export licenses required by Section 772.1(b) of the former Regulations. BXA alleges that, by exporting U.S.-origin auto parts to any person or destination or for any use in violation of or contrary to the terms of the Act, or any regulation, order, or license issued thereunder, Federal Parts committed two violations of Section 787.6 of the former Regulations.

Charge 3

In connection with the January 30, 1996 export, Federal Parts prepared a Shipper's Export Declaration, defined as an export control document in Section 770.2 of the former Regulations, representing that U.S. -origin auto parts were eligible for export to Iran under general license G-DEST. In fact, the items required a validated license for export to Iran. BXA alleges that, by making a false or misleading representation of material fact directly or indirectly to a United States government agency in connection with the preparation, submission or use of an export control document, Federal Parts violated Section 787.5(a) of the former Regulations.

Charge 4-7

On two separate occasions, on or about March 27, 1996 and on or about April 2, 1996, Federal Parts attempted to export from the United States to Iran U.S.-origin auto parts without obtaining from BXA the validated export licenses that Federal Parts knew or had reason to know were required by Section 772.1(b) of the former Regulations. BXA alleges that, by attempting to violate the Act or any regulation, order or license issued thereunder, Federal Parts committed two violations of Section 787.3(a) of the former Regulations. BXA also alleges that, by selling, transferring, or forwarding commodities exported or to be exported from the United States with knowledge or reason to know that a violation of the Act, or any regulation, order or license issued thereunder occurred, was about to occur, or was intended to occur with respect to the shipment, Federal Parts committed two violations of Section 787.4(a) of the former Regulations.

Charge 8

On or about April 2, 1996, Office of Export Enforcement (OEE) Special Agents met with Mr. Azarin, President of Federal Parts about the nature of the company's business: In response, Mr. Azarin stated that Federal Parts distributes auto parts. He said that Federal Parts at one time sold to customers in Iran, but not anymore. Mr. Azarin declared that Federal Parts sold auto parts

to customers in Iran about four or six years ago, when in fact, Federal Parts exported, U.S.-origin auto parts to Iran on or about January 30, 1996 and on about February 14, 1996. BXA alleges that, by making a false or misleading statement of material fact either directly to BXA or indirectly through any other person for the purpose of or in connection with effecting an export, reexport or other activity subject to the Regulations, Federal Parts committed one violation of Section 787.5(a) of the former Regulations.

BXA alleges that Federal Parts committed two violations of Section 787.3(a), two violations of Section 787.4(a), two violation of Section 787.5(a), and two violations of Section 787.6 of the former Regulations, for a total of eight violations.

Accordingly, Federal Parts is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an Order imposing administrative sanctions, including any or all of the following:

- a. The maximum civil penalty allowed by law of \$10,000 per violation (see Section 764.3(a)(1) of the Regulations);
- b. Denial of export privileges (see Section 764.3(a)(2) of the Regulations); and/or
- c. Exclusion from practice before BXA (see Section 764.3(a) (3) of the Regulations).

Copies of relevant Parts of the Regulations are enclosed.

If Federal Parts fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter as provided in Section 766.3 of the Regulations, that failure will be treated as a default under Section 766.7. Federal Parts is further notified that it is entitled to an agency hearing on the record as provided by Section 13(c) of the Act and Section 766.6 of the Regulations, if a written demand for one is filed with its answer, to be represented by counsel, and to seek a consent settlement.

Pursuant to an Interagency Agreement between BXA and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter. Accordingly, Dexin's answer should be filed with the U.S. Coast Guard ALJ Docketing Center, 40 S. Gay Street, Baltimore, Maryland 21202-4022, in accordance with the

instructions in Section 766.5(a) of the Regulations. In addition, a copy of Dexin's answer should be served on BXA at the address set forth in Section 766.5(b); adding "ATTENTION: Lairold M. Street, Esq." below the address. Mr. Street may be contacted by telephone at (202) 482-5311.

Sincerely,



Mark D. Menefee
Director
Office of Export Enforcement

Enclosure

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:)
)
Federal Parts International, Inc.)
5455 Peachtree Industrial Blvd.)
Norcross, Georgia 30092,)
)
Respondent)

SETTLEMENT AGREEMENT

This Agreement is made by and between Federal Parts International, Inc. (hereinafter referred to as Federal Parts) and the Bureau of Export Administration, United States Department of Commerce, pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2001)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (1991 & Supp. 2001)) (the Act)?

WHEREAS, the Office of Export Enforcement, Bureau of Export Administration (BXA), has notified Federal Parts of its intention to initiate an administrative proceeding against Federal Parts pursuant to the Act and (the "Former Regulations"), based on

¹ The alleged violations occurred in 1996. The Regulations governing the violations at issue are found in the 1996 version of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1996)). Those Regulations define the violations that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to this matter.

² From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations then in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (1994 & Supp. IV 1999)) (IEEPA). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (66 Fed. Reg. 44025 (August 22, 2001)), **has continued the Regulations in effect under IEEPA.**

allegations that, on two separate occasions, between on or about January 30, 1996 and on or about February 14, 1996, Federal Parts exported U.S.-origin auto parts from the United States to Iran without obtaining the export licenses required by Section 772.1(b) of the former Regulations, in violation of Section 787.6 of the former Regulations; that, in connection with the January 30, 1996 shipment, Federal Parts violated the provisions of Section 787.5(a) of the former Regulations by making a false or misleading statement of material fact directly or indirectly to a United States government agency in connection with the preparation, submission, issuance or use or an export control document; that, on two separate occasions, on or about March 27, 1996 and on or about April 2, 1996, Federal Parts attempted to export from the United States to Iran U.S.-origin auto parts without obtaining the export licenses that Federal Parts knew or had reason to know were required by Section 772.1(b) Regulations, in violation of Sections 787.3(a) and 787.4(a) of the former Regulations; and that on or about April 2, 1996, Federal Parts violated the provisions of Section 785.5(a) of the former Regulations by making false or misleading statements of material fact either directly to BXA or indirectly through any other person for the purpose of or in connection with the preparation, submission, issuance, use or maintenance of an export control document, Federal Parts violated Section 787.5 (a) of the Regulations.

WHEREAS, Federal Parts has reviewed the proposed Charging Letter and is aware of the allegations made against it and the administrative sanctions which could be imposed against it if the allegations are found to be true; Federal Parts fully understands the terms of this Settlement Agreement and the Order; Federal Parts enters into this Settlement Agreement voluntarily and with full knowledge of its rights; and Federal Parts states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, Federal Parts neither admits nor denies the allegations contained in the proposed Charging Letter;

WHEREAS, Federal Parts wishes to settle and dispose of all matters alleged in the proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, Federal Parts agrees to be bound by an appropriate Order giving effect to the terms of this Settlement Agreement, when entered (Order);

NOW THEREFORE, Federal Parts and BXA agree as follows:

1. BXA has jurisdiction over Federal Parts, under the Act and the Regulations, in connection with the matters alleged in the proposed Charging Letter.

2. BXA and Federal Parts agree that the following sanctions shall be imposed against Federal Parts in complete settlement of all alleged violations of the Act and the Regulations arising out of the transactions set forth in the proposed Charging Letter:

- (a) Federal Parts shall be assessed a civil penalty of \$50,000. Federal Parts shall pay \$10,000 of the civil penalty to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment of the remaining \$40,000 shall be made in four equal, monthly installments of \$10,000 beginning on the first day of the second month after the date of entry of the Order.
- (b) Federal Parts and all of its successors and assigns, officers, representatives, agents, and employees, may not, for a period of 10 years from the date of entry of the appropriate Order, participate, directly or indirectly, in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United

States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- i. Applying for, obtaining, or using any license, License Exception, or export control document; .
- ii. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or
- iii. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

3. Federal Parts agrees that, subject to the approval of this Settlement Agreement pursuant to paragraph 8 hereof, it hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Settlement Agreement or the appropriate Order, when entered), including, without limitation, any right: (a) to an administrative hearing regarding the allegations in the proposed Charging Letter; (b) to request a refund of any civil penalty paid pursuant to this Settlement Agreement and the appropriate Order, when entered; and (c) to seek judicial review or otherwise to contest the validity of this Settlement Agreement or the appropriate Order, when entered.

4. BXA agrees that, upon entry of an appropriate Order, it will not initiate any administrative proceeding against Federal Parts in connection with any violation of the Act or the Regulations arising out the transactions identified in the proposed Charging Letter.

5. Federal Parts understands that BXA will make the proposed **Charging** Letter, this Settlement Agreement, and the appropriate Order, when entered, available to the public.

6. BXA and Federal Parts agree that this Settlement Agreement is for settlement purposes only. Therefore, if this Settlement Agreement is not accepted and an appropriate Order is not issued by the Assistant Secretary for Export Enforcement pursuant to Section 766.18(a) of the Regulations, BXA and Federal Parts agree that they may not use this Settlement Agreement in any administrative or judicial proceeding and that the parties shall not be bound by the terms contained in this Settlement Agreement in any subsequent administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the appropriate Order, when entered, nor shall this Settlement Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances addressed herein.

8. This Settlement Agreement shall become binding on BXA only when the Assistant Secretary for Export Enforcement approves it by entering an appropriate Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

BUREAU OF EXPORT ADMINISTRATION
U.S. DEPARTMENT OF COMMERCE

FEDERAL PARTS INTERNATIONAL,
INC.

BY: Mark D. Menefee
Mark D. Menefee
Director
Office of Export Enforcement

BY: Yasaman Azarin
Yasaman Azarin
President

Date: 12/13/07

Date: 12-01-01

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:)
)
Federal Parts International, Inc.)
5455 Peachtree Industrial Blvd.)
Norcross, Georgia 30092,)
)
Resnondent)

ORDER

The Bureau of Export Administration, United States Department of Commerce (BXA), having initiated an administrative proceeding against Federal Parts International, Inc. (hereinafter referred to as Federal Parts) pursuant to Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (1994 & Supp. V 1999) (the “Act”))’ and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2001)) (the “Regulations”),’ based on allegations that, on two separate occasions, between on or about January 30, 1996 and on or about February 14, 1996, Federal

¹ From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations then in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (1994 & Supp. IV 1999)) (IEEPA). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (66 Fed. Rep. 44025 (August 22, 2001)), has continued the Regulations in effect under IEEPA.

² The alleged violations occurred in 1996. The Regulations governing the violations at issue are found in the 1996 version of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1996)). Those Regulations define the violations that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to this matter.

Parts exported U.S.-origin auto parts from the United States to Iran in violation of Section 787.6 of the former Regulations; that, in connection with the January 30, 1996 shipment, Federal Parts violated the provisions of Section 787.5(a) of the former Regulations by making a false or misleading statement of material fact directly or indirectly to a United States government agency in connection with the preparation, submission, issuance or use of an export control document; that, on two separate occasions, on or about March 27, 1996 and on or about April 2, 1996, Federal Parts attempted to export from the United States to Iran U.S.-origin **auto** parts in violation of Sections 787.3(a) and 787.4(a) of the former Regulations; and that on or about April 2, 1996, Federal Parts violated the provisions of Section 785.5(a) of the former Regulations by making false or misleading statements of material fact either directly to **BXA** or indirectly through any other person for the purpose of or in connection with the preparation, submission, issuance, use or maintenance of an export control document;

BXA and Federal Parts having entered into a Settlement Agreement pursuant to Section 766.18(b) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein, and the terms of the Settlement Agreement having been approved by me;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$50,000 is assessed against Federal Parts. Federal Parts shall pay \$10,000 of the civil penalty to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment of the remaining \$40,000 shall be made in four equal, monthly installments of \$10,000 beginning on the first day of the second month after the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C §§ 3701-3720E (1983 and Supp. V 1999)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Federal Parts will be assessed, in addition to interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, Federal Parts International, Inc., 5455 Peachtree Industrial Blvd., Norcross, Georgia 30092, (“the denied person”) and, when acting in behalf of it, all of its successors or assigns, officers, representatives, agents and employees, may not, for a period of 10 years from the date of this Order, participate, directly or indirectly, in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as item) exported or to be exported from the United States that is subject to the EAR, or in any other activity subject to the Regulations, including, but not limited to:

- A. Applying for, obtaining, or using any license, License Exception, or export control document;
- B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or
- C. Benefitting in any way from any transaction involving any item exported or to **be** exported from the United States that is **subject** to the Regulations, or in any other

activity subject to the Regulations.

FOURTH, that no person may, directly or indirectly, do any of the following:

- A. Export or reexport to or on behalf of the denied person any item subject to the Regulations;
- B. Take any action that facilitates the acquisition or attempted acquisition by the denied person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the denied person acquires or attempts to acquire such ownership, possession or control;
- C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the denied person of any item subject to the EAR that has been exported from the United States;
- D. Obtain from the denied person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or
- E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and which is owned, possessed or controlled by the denied person, or service any item, of whatever origin, that is owned, possessed or controlled by the denied person if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

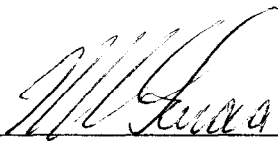
FIFTH, that after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to Federal Parts by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be subject to the provisions of this Order.

SIXTH, that this Order does not prohibit any export, reexport, or other transaction **subject** to the Regulations where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

SEVENTH, that a copy of this Order shall be delivered to the United States Coast Guard ALJ Docketing Center, 40 Gay Street, Baltimore, Maryland 21202-4022, notifying that office that this case is withdrawn from adjudication, as provided by Section 766.18(b) of the Regulations.

EIGHTH, that the Charging Letter, the Settlement Agreement, and this Order shall be made available to the public.

This Order, which constitutes the final agency action in this matter, is effective immediately.



Michael J. Garcia
Assistant Secretary
for Export Enforcement

Entered this 5th day of February, 2002.